



EAST KENTUCKY POWER COOPERATIVE

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PUBLIC SERVICE  
COMMISSION

November 9, 2007

HAND DELIVERED

Ms. Elizabeth O'Donnell  
Executive Director  
Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40602

Re: PSC Case No. 2007-00266

Dear Ms. O'Donnell:

Please find enclosed for filing with the Commission in the above-referenced case an original and seven copies of the Responses of East Kentucky Power Cooperative, Inc. to the Commission Staff's Third Data Request, dated October 30, 2007.

Very truly yours,

A handwritten signature in cursive script that reads "Charles A. Lile".

Charles A. Lile  
Senior Corporate Counsel

Enclosures

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

THE APPLICATION OF EAST KENTUCKY POWER )  
COOPERATIVE FOR CONTINUATION OF THE )  
TOUCHSTONE ENERGY MANUFACTURED HOME )  
PROGRAM )

CASE NO. 2007-00266

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PUBLIC SERVICE COMMISSION

CERTIFICATE

STATE OF KENTUCKY )  
 )  
COUNTY OF CLARK )

William A. Bosta, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Public Service Commission Staff Third Data Requests in the above-referenced case dated October 30, 2007, and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

William A. Bosta

Subscribed and sworn before me on this 8<sup>th</sup> day of November, 2007.

Regina S. Duffin  
Notary Public

My Commission expires:

December 8, 2009

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NOV 09 2007

PUBLIC SERVICE  
COMMISSION

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

<b>THE APPLICATION OF EAST KENTUCKY POWER</b>	)	
<b>COOPERATIVE FOR CONTINUATION OF THE</b>	)	
<b>TOUCHSTONE ENERGY MANUFACTURED HOME</b>	)	<b>CASE NO.</b>
<b>PROGRAM</b>	)	<b>2007-00266</b>

**RESPONSES TO COMMISSION STAFF'S THIRD DATA REQUEST  
TO EAST KENTUCKY POWER COOPERATIVE, INC.  
DATED OCTOBER 30, 2007**

**EAST KENTUCKY POWER COOPERATIVE, INC.**

**PSC CASE NO. 2007-00266**

**CONTINUATION OF TOUCHSTONE ENERGY MANUFACTURED  
HOME PROGRAM**

**COMMISSION STAFF'S THIRD DATA REQUEST DATED 10/30/07**

East Kentucky Power Cooperative, Inc. (EKPC) hereby submits responses to the Commission Staff's Third Data Request dated October 30, 2007. Each response with its associated supportive reference materials is individually tabbed.



**EAST KENTUCKY POWER COOPERATIVE, INC.**

**PSC CASE NO. 2007-00266**

**CONTINUATION OF TOUCHSTONE ENERGY MANUFACTURED**

**HOME PROGRAM**

**THIRD DATA REQUEST RESPONSE**

**COMMISSION STAFF'S THIRD DATA REQUEST DATED 10/30/07**

**REQUEST 1**

**RESPONSIBLE PARTY: William A. Bosta**

**COMPANY: East Kentucky Power Cooperative, Inc.**

**REQUEST 1.** Refer to the response to the Commission Staff's Second Data Request dated September 28, 2007 ("Staff Second Request"), Item 1.

**REQUEST 1a.** The proposed tariff does not include provisions for rebates if existing furnaces are replaced with new, high efficient heat pumps for manufactured homes. Explain in detail how the replacement of furnaces in existing manufactured homes can qualify for a rebate under the terms of the proposed tariff.

**RESPONSE 1a.** EKPC is amending the proposed tariff by adding the following sentence: "For customers with inefficient electric heating systems, EKPC will rebate \$150 for replacing their existing furnace with a heat pump that meets minimum Energy Star Standards." Page 1 of the Attachment to this request incorporates this sentence into the tariff sheet. Page 2 of the Attachment is the redline version of the tariff changes. Additionally, EKPC is also amending the proposed tariff to reflect a fixed payment of \$250 for each new certified manufactured home.

**REQUEST 1b.** Provide the SEER for the new highly efficient heat pump that will be replacing the inefficient existing furnace.

**RESPONSE 1b.** SEER = 13

EAST KENTUCKY POWER COOPERATIVE, INC.

For all Counties Served  
P.S.C. No. 31  
First Revised Sheet No. 22  
Canceling Original Sheet No. 22

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**Section DSM - 1**

**Touchstone Energy Manufactured Home Program**

**Purpose**

The Touchstone Energy Manufactured Home Program is a conservation program that encourages the sale of more energy-efficient manufactured homes. It is based on the *Energy Star* standards for manufactured homes, a nationally recognized symbol of energy efficiency and quality developed and operated jointly by the U.S. Environmental Protection Agency (EPA) and the U.S. Department of Energy (DOE).

**Availability**

This program is available in all service territory served by EKPC.

**Eligibility**

To qualify as a Touchstone Energy Manufactured Home under EKPC's program, the participating manufactured home must be located in the service territory of a participating Member System and meet the *Energy Star* standards by including additional floor, wall and ceiling insulation, double pane windows and an electric heat pump.

**Rebate**

EKPC will provide an incentive for retail customers of our Member Systems to participate in this program by offering a one-time rebate. EKPC will rebate \$250 per certified manufactured home to the participating Member System. Rebates will be paid to the participating Member Systems upon written certification that the retail participant has met the *Energy Star* standards for newly constructed manufactured homes.

For customers who purchase a manufactured home which only includes a heat pump meeting Energy Star standards, EKPC will rebate \$150. For customers with inefficient electric heating systems, EKPC will rebate \$150 for replacing their existing furnace with a heat pump that meets minimum Energy Star Standards.

**Annual Reports**

EKPC will submit annual reports on the Program that contain the number of participants from each Member System, the annual costs, including the costs of the rebates, and the status of the rebate provision. EKPC will file the first report by March 31, 2004, and annually thereafter.

**Term**

The Touchstone Energy Manufactured Home Program will remain in effect through the end of 2009. If EKPC should decide to continue the entire program beyond 2009, an application for approval from the Kentucky Public Service Commission will be filed 6 months prior to the date of continuation.

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DATE OF ISSUE \_\_\_\_\_ DATE EFFECTIVE: \_\_\_\_\_

ISSUED BY \_\_\_\_\_ TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in  
Case No. \_\_\_\_\_ Dated \_\_\_\_\_

For All Counties Served  
P.S.C. No. 31  
First Revised Sheet No. 22  
~~Original Sheet No. 22~~

EAST KENTUCKY POWER COOPERATIVE, INC.

Section DSM - 1

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Term

The Touchstone Energy Manufactured Home Program will remain in effect through the end of 2007 2009. If EKPC should decide to continue the ~~rebate provision of the Program beyond 2004 or the entire program beyond 2007-2009~~, an application for approval from the Kentucky Public Service Commission will be filed 6 months prior to the date of continuation.

DATE OF ISSUE \_\_\_\_\_ DATE EFFECTIVE: \_\_\_\_\_

ISSUED BY \_\_\_\_\_ TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in  
Case No. \_\_\_\_\_ Dated \_\_\_\_\_



**EAST KENTUCKY POWER COOPERATIVE, INC.**

**PSC CASE NO. 2007-00266**

**CONTINUATION OF TOUCHSTONE ENERGY MANUFACTURED**

**HOME PROGRAM**

**THIRD DATA REQUEST RESPONSE**

**COMMISSION STAFF'S THIRD DATA REQUEST DATED 10/30/07**

**REQUEST 2**

**RESPONSIBLE PARTY: William A. Bosta**

**COMPANY: East Kentucky Power Cooperative, Inc.**

**REQUEST 2.** Refer to the response to the Staff's Second Request, Item 2.

**REQUEST 2a.** Explain in detail why it is reasonable to use 5-year old data to project program participation for the next 5 years.

**RESPONSE 2a.** The response to Staff's Second Request, Item 2, was an attempt to explain the reasoning behind the projection of the number of participants submitted with EKPC's original Application. While EKPC recognizes that the projections used in the original Application are not likely to occur in the next five years, EKPC expects that the proposed tariff changes will increase participation rates and assist EKPC, the Member System and the retail customer.

**REQUEST 2b.** Given EKPC's experience with this program to date, explain in detail why the projected program participation for the next 5 years is reasonable and realistic.

**RESPONSE 2b.** Please see Response 2(a).



**EAST KENTUCKY POWER COOPERATIVE, INC.**

**PSC CASE NO. 2007-00266**

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**REQUEST 3**

**RESPONSIBLE PARTY: William A. Bosta/Jeffrey E. Hohman**

**COMPANY: East Kentucky Power Cooperative, Inc.**

**REQUEST 3.** Refer to the response to the Staff's Second Request, Item 3.

**REQUEST 3a.** Does EKPC have a demand-side management program that provides rebate incentives for retail customers for the retrofitting of existing manufactured homes? If yes, provide a complete description of the program and a copy of the applicable tariff.

**RESPONSE 3a.** EKPC does not have a program approved under the Demand Side Management (DSM) Statute that provides rebates for retrofitting of existing manufactured homes. EKPC has provided rebates for installation of heat pumps under the pre-DSM heat pump program. Please see the response to 4(a) herein.

**REQUEST 3b.** Provide a table for the member systems that shows the number of retrofitted manufactured homes with energy efficient equipment for the 2002-2006 period.

**RESPONSE 3b.** Please see the table provided in response to Request 4(a) herein. It shows the number of manufactured homes retrofitted with heat pumps for the 2002-2006 period. The heat pumps for these retrofitted manufactured homes did not have to meet the Touchstone Energy Manufactured Home Standards.

**REQUEST 3c.** With the exception of the information provided for Blue Grass Energy, does the table provided in the response reflect the number of new manufactured homes that meet the program guidelines? If no, revise the response to provide the originally requested information.

**RESPONSE 3c.** Yes, the table provided in Staff's Second Request, Item 3, is for new manufactured homes that meet the program guidelines.



**EAST KENTUCKY POWER COOPERATIVE, INC.**

**PSC CASE NO. 2007-00266**

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**REQUEST 4**

**RESPONSIBLE PARTY: William A. Bosta/Jeffry E. Hohman**

**COMPANY: East Kentucky Power Cooperative, Inc.**

**REQUEST 4.** Refer to the response to the Staff's Second Request, Item 4.

**REQUEST 4a.** Provide a table for the member systems that shows the rebates paid for retrofitted manufactured homes with energy efficient equipment for the 2002- 2006 period.

**RESPONSE 4a.** Please see the information below for the number of manufactured homes retrofitted with heat pumps.

Member System	Rebates paid by EKPC				
	2002	2003	2004	2005	2006
Big Sandy RECC			\$150		
Blue Grass Energy	\$750	\$1,050	\$2,700	\$900	\$1,650
Clark Energy			\$250	\$250	\$250
Cumberland Valley					\$450
Grayson RECC				\$150	\$450
Inter-County Energy	\$150	\$600		\$450	\$600
Jackson Energy				\$100	\$100
Nolin RECC	\$300	\$150		\$150	
South Kentucky RECC				\$75	\$300
Taylor County RECC				\$150	\$150
<b>Totals</b>	<b>\$1,200</b>	<b>\$1,800</b>	<b>\$3,100</b>	<b>\$2,225</b>	<b>\$3,950</b>

Number of Rebates paid by EKPC					
Member System	2002	2003	2004	2005	2006
Big Sandy RECC			1		
Blue Grass Energy	5	7	18	6	11
Clark Energy			2	2	2
Cumberland Valley					3
Grayson RECC				1	3
Inter-County Energy	1	4		3	4
Jackson Energy				1	1
Nolin RECC	2	1		1	
South Kentucky RECC				1	4
Taylor County RECC				1	1
Totals	8	12	21	16	29

**REQUEST 4b.** With the exception of the information provided for Blue Grass Energy, does the table provided in the response reflect the rebates paid for new manufactured homes that meet the program guidelines? If no, revise the response to provide the originally requested information.

**RESPONSE 4b.** Yes.



**EAST KENTUCKY POWER COOPERATIVE, INC.**

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**REQUEST 5**

**RESPONSIBLE PARTY: William A. Bosta/Jeffry E. Hohman**

**COMPANY: East Kentucky Power Cooperative, Inc.**

**REQUEST 5.** Pursuant to the Touchstone Energy Manufactured Home Tariff the Commission approved in Case No. 2002-003131, EKPC was required to rebate \$250 per certified manufactured home to the member system.

**REQUEST 5a.** Explain why the rebates paid by EKPC in 2003-2006, as shown in the response to Item 4 of Staff's Second Request, were not \$250 as stated in the tariff.

**RESPONSE 5a.** During that period, EKPC matched the rebate offered by the Member System. The total rebate would be at least \$250, but EKPC's portion was one-half of the total.

**REQUEST 5b.** State who determined the amount of the rebates that were paid in 2003-2006.

**RESPONSE 5b.** The Member System determined the total amount of the rebate to the customer. Under the Partner's Plus Marketing Program, EKPC matched the rebate

amount offered by the Member System. This resulted in a rebate to the customer of at least \$250. In no instance did EKPC provide a rebate of more than \$250. However, EKPC did not provide a \$250 blanket amount for each customer.

**REQUEST 5c.** Explain the criteria used to determine the amount of the rebates that were paid in 2003-2006.

**RESPONSE 5c.** The Member System made the determination of the total amount of the rebate for each customer.



**EAST KENTUCKY POWER COOPERATIVE, INC.**

**PSC CASE NO. 2007-00266**

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**REQUEST 6**

**RESPONSIBLE PARTY: William A. Bosta**

**COMPANY: East Kentucky Power Cooperative, Inc.**

**REQUEST 6.** Explain why EKPC is requesting the Commission to amend the rebate section of the tariff to add the words "up to".

**RESPONSE 6.** To clarify the rebate requirements for each customer, EKPC has elected to eliminate the "up to" language in the Tariff. This is provided in the response to Request 1(a).



**EAST KENTUCKY POWER COOPERATIVE, INC.**

**PSC CASE NO. 2007-00266**

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**REQUEST 7**

**RESPONSIBLE PARTY: William A. Bosta**

**COMPANY: East Kentucky Power Cooperative, Inc.**

**REQUEST 7.** State who will decide the rebate amount if the proposed language change is granted.

**RESPONSE 7.** Not applicable. See the response to Item 6 herein.



**EAST KENTUCKY POWER COOPERATIVE, INC.**

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**COMMISSION STAFF'S THIRD DATA REQUEST DATED 10/30/07**

**REQUEST 8**

**RESPONSIBLE PARTY: William A. Bosta**

**COMPANY: East Kentucky Power Cooperative, Inc.**

**REQUEST 8.** Explain what criteria will be used to determine the rebate amount that will be paid to each participant.

**RESPONSE 8.** Not applicable. See the response to Item 6 herein.